

# Instagram as a social networking application

Technology, Information Technology



The key stakeholders of Instagram are Facebook, Shareholders, Employees, social networking, and Internet users. On 12 April 2012, Facebook made the largest acquisition deal purchasing Instagram with approximately 13 employees for about \$1 billion in cash and stock. Instagram's main objective is to expand its business and attract more users. About \$1 billion worth of stocks of Instagram is with Facebook, \$35 million stock with Yahoo and Flickr, and about \$400 Million stock with the CEO Kevin Systrom.

Instagram offers its users services to share pictures and videos among individuals and groups (Albarran). The change in the privacy policy of the company was perceived as an attempt to secretly make use of users' personal pictures for generating revenue. Instagram had a major controversy due related to the privacy concerns of its users. The company used its personal pictures for the company's own use and profits (Miles). Due to which millions of its users unsubscribed from the service. Instagram faced issues and challenges related to its privacy policy (Linashcke). The incident offers insight into the situation, which required considerable measures to regulate the company's privacy policy. This is because of the reason that the policy provisions of Instagram allowed it to share user information to advertise and poll data (Albarran). The privacy concerns of Instagram were the major issues that had to be sorted out, in order to resume faith in its users. This purported attempt to convert users' property as public to generate revenue threatened Instagram and resulted in the withdrawal of its users.

The privacy policy was one of the major issues that caused the company to face several threats. Though many of its users withdraw from the use of services. On the other hand, other users were perceived Instagram as a revenue-generating media and agreed with the use of personal information (Miles). According to Andrew Bolson (2013), “ Instagram’s 2012 policy change can be described as a failure of imagination. Since the company did not adequately assess the preference of its users base in regard to the proposed language” (Linascchke). This is because of the reason that users are unwilling to relinquish property rights in their right. The users are more willing to keep their personal photographs as their personal property (Linascchke). The policy change of Instagram misjudged the users’ consciousness (Albarran). Therefore, the company could have taken adequate measures for developing a better user understanding regarding the policy change through making polls and questioning its users. Instagram was quick to respond to the reaction of its users and updated its policies in January 2013 (Albarran). The new policy change granted its users to experience “ exclusive, fully paid and royalty-free, transferable, sub-licensable, worldwide license to use the content that you post” (Albarran). It allows its users to reserve the right to share information they desire with the companies related to Instagram (Miles). The policy also included the sharing of users’ contents with third-party service providers, third-party advertisers, and other parties related associated with Instagram and Facebook.

Instagram is a social networking application and therefore the primary preference of the company is the protection of rights and contents of its

users. The approach of Instagram made money by using members' photos is a lucrative revenue opportunity (Albarran). The policy that Instagram announced limits users' understanding related to the use of its services and deal with its privacy. Furthermore, the other main reason due to which the policy failed was that the company did not do any survey or understood the perception of its users through questionnaires and polls (Albarran). The inappropriate approach of the company to experiment with its innovation and the lack of information delivered to its users was the major issue due to which Instagram faced ethical issues. If the company had preferred to concentrate on improving its services for its user rather than use its contents to generate revenue then it would have been beneficial for Instagram.